

SALMON RECOVERY FUNDING BOARD

MINUTES - REGULAR MEETING

October 30, 2000

Quality Inn
Clarkston, Washington

SALMON RECOVERY FUNDING BOARD MEMBERS PRESENT:

William Ruckelshaus, Chair	Seattle
Larry Cassidy	Vancouver
Brenda McMurray	Yakima
James Peters	Olympia
John Roskelley	Spokane
Steve Meyer	Executive Director, Conservation Commission
Jeff Koenings	Director, Department of Fish and Wildlife
Craig Partridge	Designee, Department of Natural Resources
Gerry O'Keefe	Designee, Department of Ecology

Brad Johnson, Asotin Conservation District, welcomed the Salmon Recovery Funding Board to the Clarkston area. Thanking the Board for past help and hoping to continue to work together toward salmon recovery.

Call to Order

Chair Ruckelshaus called the meeting to order at 8:45 a.m. welcoming the newest member to the SRFB, James Fisher McMurray, Brenda's son who was born in August. The agenda was approved as presented.

Topic #1: Review and Approval of Minutes

Steve Meyer **moved** to approve the September 15, 2000, minutes. John Roskelley **seconded** the motion. Minutes were **approved**.

Topic #2: Management and Status Reports

Director's Report: Director Johnson gave the Director's Report. The deadline for lead entity submittal of applications is today. There had been two lead entity packets delivered to the office before we left on Friday.

The Director also thanked the local community for the use of the speaker equipment.

Financial Management Services Report: Debra Wilhelmi gave the financial management report updating the Board on recent expenditures and the unexpended budget amounts.

Debra also updated the Board on the federal budget status. The Commerce budget passed the house and the senate with \$18 million targeted for salmon recovery efforts in Washington State, some of this money will be earmarked for activities related to the Forest and Fish agreement. This budget item is not final and still has a ways to go before we know the final outcome. The Interior budget has passed and has \$5 million slated for the Hatchery Reform process.

John Roskelley asked how long the Jobs for the Environment (JFE) program has to spend the money contracted to them. Debra reported that they have until the end of the biennium.

Board discussion also raised a question on why the programmatic funds weren't further along in their spending. Debra believes there may be many reasons, one being that since this is a reimbursable program, the projects could be further along but the bills haven't been submitted for payment yet.

Project Management Update: Rollie Geppert highlighted the projected application matrix enclosed in the Board packet. The salmon project managers had requested a breakdown from lead entities projecting the number of applications they believed they would submit and what categories the applications would fall under. The matrix reflects sixty-eight proposed assessments and studies that the Board hasn't funded in the past with a decrease in the number of instream diversion projects proposed. The staff did not ask the lead entities to project the amount of money in requested proposals. It is still too early to know what the actual scope of the projects will be. As soon as the application list is completed, it will be mailed to the Board.

All but 14 of the eighty-four projects funded in the last grant round are now under contract.

We have hired two new salmon project management staff: Barb McIntosh, previously with Fish and Wildlife, and Brian Abbott, previously with Pierce County Conservation District.

GSRO Report: Curt Smitch gave the GSRO and Joint Cabinet update. The GSRO is currently in the process of developing forums for public comment on the Governor's Statewide Salmon Recovery Strategy. They will start this process in December with three forums, one on the eastside and two on the Westside. The Salmon Team will be work with lead entities to develop the forums. Additionally, they will release the State of the Salmon Report in December.

Steve Leider has been working with a group to develop a matrix of different assessment methodologies. The matrix should be out in draft in December. This matrix will help to show different types of assessments and the tools used under each assessment type.

Have been working with NWPPC to discuss coordination issues. Have a better understanding on where we are and where we are not but still need to work on how to coordinate efforts. This effort will be included in the Biological Opinion.

Several groups are litigating the Forest and Fish agreement. Curt will report more about this case in November.

Shoreline guidelines are on schedule to be adopted in mid-November.

Brenda McMurray asked about the current efforts in Yakima. Mr. Smith reported that the group has developed a list of projects that will be looked at for immediate processing. This list reflects agreement from all parties involved. The group will be looking for funding for these projects from all sources. Since this is through a separate process, the projects will not be submitted through a lead entity and will not be presented to the SRFB in this funding cycle. State agencies have been working very closely with this group to make sure projects go through a technical review and scientific process.

Chair Ruckelshaus noted that this points out the need to coordinate the projects funded through different sources so that the SRFB and lead entities are not duplicating efforts.

Need to make sure the lead entities have the assessment tools available so they do not request funding for assessments that are already completed. This is the tool that Steve Lieder's group is working on and should provide this coordination.

Director Koenings reported that WDFW will be having a workshop on EDT and other methodologies. There will be pressure to evaluate additional assessment tools but the goal is to use a common assessment tool so we are selecting the best projects for recovering salmon.

Jim Fox and Brian Walsh, NWPPC, are working to coordinate on reporting information about projects the SRFB and NWPPC are funding.

LEAG Update: Steve Martin, WDFW Watershed Steward, gave the LEAG report in Phil Trask's absence. LEAG has been discussing statutory requirements versus requested duties. Each lead is beginning to feel overburdened with all the activities they are being asked to assist with such as LFA, 2514, 2496, GSRO assessments, and other requirements. The lead entities are still searching for what tools will give the best "bang for the buck" and where they should direct their efforts.

Chair Ruckelshaus would like to make sure staff include lead entity information in the SRFB report to the legislature.

Topic #3: Reports

The Board has three statutorily required reports: federal fiscal report; state habitat project list report, and biennial report to the Governor and the Legislature (State of the Salmon Report). The first two reports have already been sent. Staff will send an updated project list to the legislature once the second round funding list is completed. The third report is the biennium report to the legislature. This report needs to be coordinated with the GSRO report and a lead entity report that is being developed by WDFW. A draft of this report will be available for discussion purposes at the next

SRFB meeting. Staff will also bring the Roles document to the next SRFB meeting for final approval so it can be used as attachment to the biennial report.

Chair Ruckelshaus wants to make sure the Board doesn't promise something in the report that cannot be accomplished. He would like to have a philosophical discussion on what to put into the report. The Board needs to have this report reflect what the Board has done under their current mandate to see if the Board is doing what the legislature feels they have mandated the Board to do. This report can help to clarify for the Board and the legislature what the statutes require and if the Board is doing what the legislature expected them to do.

John Roskelley requested adding the list of projects and how much has been spent, listed by congressional/legislative districts. This is a great opportunity to show the legislature what works, what doesn't and what still needs to be done.

The clearer we can make it to the legislature what the Board thinks the legislature asked them to do the better.

Director Johnson asked the Board what format they would like this report in: standard report, flyer, newsletter, or handout? And how would the Board like to use this report?

Jeff Koenings suggested keeping it simple by presenting an executive summary.

Jim Kramer suggested also working with the GSRO to see if the Board could attend the forums being held in their area.

Topic #4: 2001-03 Budget - Update

Jim Cahill gave the budget update and background on where the Office of Financial Management (OFM) is at with the Operating Budget. Expenditure limit and current funding level the budget will already be short. If some of the initiatives pass then this shortage will increase.

Need to find a new revenue source for the salmon recovery money since the first biennium was a one-time transfer of cigarette tax revenues.

Of the resource agencies, WDFW has presented the largest budget request with projects related to salmon recovery and regional response.

The Governor's office is continuing to coordinate the requests among the various agencies. The Governor's office would like to have the Board look at the budget information and highlight what the Board feels are the most important requests for funding or areas that should have more budgeted. Jim Cahill will get back to the Board on timing for review of the recommended budget list.

Over the last decade, the state's budget has increased, however, the natural resources' share of the state general fund budget has shrunk.

Topic #5: Legislative Proposals

Jim Fox presented this agenda item to the Board. Jim informed the Board that there is a House Capital Budget Committee request hearing scheduled for November 30 at 1:30 p.m. This is an important hearing for the Board since many of the SRFB budget items are in the Capital budget.

There were a number of suggestions for possible legislative change. Staff is recommending specific changes in two categories: clarifying eligibility to receive project funding and changing the grant cycle timing and frequency.

The first bill would permanently include state agencies as eligible recipients of salmon recovery funding grants. Currently the authority to provide grants to state agencies is provided for in the 1999-2001 budget which expires in June of 2001. The second bill would delete the requirement that the SRFB conduct two grant cycles per year.

Board Discussion:

One Board member questioned if the approach for the legislative changes should be a question to the legislature instead of proposing actual legislation for the change?

Jim Fox responded that there are three tiers of legislative request changes/bills. First is the executive request that is submitted by the Governor. The next is an agency request. The third category is bills originated by legislators. It would be best for the Board to submit the bills to the Governor as "agency request" legislation.

Eligibility:

There have been requests to add federal agencies to the list of eligible recipients but many of the constituents feel the federal government should be out in the lead on funding ESA projects and so the Board shouldn't necessarily be spending state money to fund federal projects.

John Roskelley asked why staff is not recommending that federal agencies also be added to the eligibility list?

Response: There is need to do work on federal lands, but many people believe federal agencies should pay for their own recovery efforts.

Federal funds almost always trigger an ESA requirement that puts more restrictions on the federal money. Currently federal agencies cannot be a grant recipient but can partner with other sponsors to complete projects.

Steve Meyer is against funding federal agency projects and thinks it would be hard to explain to our local sponsors why the Board doesn't have money to fund state and local projects and is still spending money on federal projects.

There are currently several projects that are being completed by local entities on federal lands.

The Board agreed with adding wording to the legislation to permanently allow state agencies eligible for funding.

Grant Cycles:

There is a need for legislation that gives the Board the maximum flexibility in funding cycles. Steve Meyer suggested wording to say “at least once a biennium”. Curt Smitch reminded the Board that the federal money is allocated on an annual basis and suggested the wording “at least once a year on a schedule established by the board”.

Lead Entity Composition and Role:

Currently there is no prohibition on lead entities expanding their roles in the salmon recovery effort. Ambiguities in the statutes concerning the establishment and functions of lead entities are being resolved at the administrative level by WDFW and the SRFB. No legislation is recommended at this time.

Obsolete References:

There are a number of references to the “technical review team” that was vetoed by the Governor and other “housekeeping” changes to address ambiguous or unclear language that needs to be changed. Staff will work with the Code Reviser’s Office to see if this can be corrected without legislation.

Improve Definitions:

The Board has resolved most issues administratively, there should not be any need to take a legislative change to the legislature.

Clarify IAC’s Role:

There are four sections in the RCWs that address the IAC’s role in SRFB administration, grant administration, and tracking of projects and project funding. Some of these roles, such as tracking all salmon recovery expenditures by state and federal agencies are beyond the capacity of the IAC alone. Tracking all salmon recovery expenditures by state and federal agencies is a large task and needs to be coordinated by a State effort. The IAC doesn’t have the resources to pull all this data into one spot alone.

Clarify Terminology on Limiting Factors Analysis and Critical Path Methodology:

A narrow interpretation of SB5595 would require use of limiting factors analysis and critical path terminology. The Board discussed the pros and cons of seeking legislative changes to this wording. At this point in time it would be better to leave as is since the statutes currently recognize that other types of assessments are important. In addition, as Curt Smitch reported earlier in the day, the Joint Natural Resources Cabinet and the Governor’s Salmon Recovery Office are currently discussing assessments.

Public Testimony:

Bob Metzger, Forest Service Liaison, urged the Board to modify the staff proposal to include federal land management agencies as eligible project sponsors. Bob discussed the pros for adding federal agencies to the eligibility list. There is a misperception that federal agencies don’t need money and that if they need more money they can just switch from one area to another. Budgets have declined dramatically in the last few years, so much that they don’t have funds to do the needed restoration. Funding has gone down to the level that they can’t do what they’d like to do. He is requesting modification of the legislation to add federal land management agencies.

Board Discussion:

Brenda McMurray asked if the Board's appropriation from Congress specifically excludes federal agencies.

Response: Federal agencies were not included in the federal 2000 appropriation, so the federal appropriation could not be used for federal agencies, which means the Board could only use state funds to fund the federal projects if federal agencies are included as eligible sponsors.

Craig Partridge requested that if the Board needs to clarify what types of projects and where they can be done, the Board should do this. The Forest and Fish agreement puts a large burden on Forest Landowners to fix problems.

John Roskelley agrees with Mr. Metzger in the need to add federal agencies and doesn't see the problem with using state money to fund federal projects.

Curt Smith suggested meeting with the congressional delegation to discuss this issue. Need to send a message to the congress that ESA is putting a tremendous burden on our citizens and that we should get funding to assist in completion of the projects.

Jim Peters suggested checking with Congress to see if they meant to exclude federal agencies or if it was an oversight. If an oversight, see if we can amend the allocation to include federal agencies at that time.

Decision:

The Board will take two pieces of legislation forward to the legislature. They are: the wording to add state agencies to the list of eligible grant recipients and to change from two to one funding cycle annually.

Topic #6: Technical Panel – Evaluation Process, 2nd Round

The Panel's initial lead entity meetings were completed in the first week of October. One day was spent with each lead entity. In these meetings the lead entity talked about the lead entity strategy or overall approach and where they were going. Project lists were still being developed, so there was not much project-specific discussion.

The technical panel was comprised of:

- Brian Allee, Columbia Basin Fish and Wildlife Authority
- Kevin Bauersfeld, Washington State Department of Fish and Wildlife
- Tim Beechie, National Marine Fisheries Service
- Paul DeVries, Water Resources Engineer and Private Consultant for RH2
- Karl Halupka, US Fish and Wildlife Service
- Ken Hammond, Retired Central Washington University Professor, Dept. of Geography and Land Studies
- George Pess, National Marine Fisheries Service
- Anne Shaffer, Washington State Department of Fish and Wildlife
- Carol Smith, Washington State Conservation Commission

Carol Smith helped Jim Kramer present this agenda topic. Feedback is the meetings were very successful and useful for the lead entities.

Technical Panel Process

October 30 is the due date for lead entity and projects applications. Technical panel will receive full copies of the lead entity questions and individual application information.

Nine members will be divided into four teams and will each get six lead entities to look over. Each lead entity will have 1.5 hours to meet with the technical team. Each team will develop a preliminary recommendation. The whole team will meet for two days in December to develop one recommendation. The recommendation document will go out for public review in early January.

The technical panel will be looking at projects following the three criteria the Board adopted: 1. Local benefit for fish; 2. Certainty of success; 3. Regional importance. The panel will look at projects following the criteria and may recommend projects to not be funded at this time. They may also give lead entities suggestions for improvement in future cycles.

Future cycles need to align the assessments, strategies and projects and the panel may include suggestions for getting there in the future.

The technical panel will perform four duties: Project list evaluation; suggestions to lead entities; overall process recommendations; and participation in a “post funding cycle” debriefing.

Larry Cassidy asked if the panel was looking at the lists for relief from ESA issues. Response: They did not look at the ESU level. Review at a stock specific way not at an ESU level since an ESU is such a broad definition. This method gives the lead entity the latitude to evaluate their lists for ESA compliance or for preservation of existing healthy stocks. The Board decided not to give “extra points” to an area for ESA relief just because they have fish listed in their area but to look at what is the best thing to do for the whole area and stock.

Need to ask some question about ESA impact of the project. Staff can add a question concerning ESA impact.

Question was asked on what is meant by Regional importance – is it ESU region or statewide region?

Response: It was based on the ESU region. All the lead entities are within an ESU or Salmon Recovery Region as defined by the Governor’s Salmon Recovery Strategy.

The technical panel will be looking at the lists and recommend where the funding line should be drawn and any exceptions to funding highlighted. The Board will also receive a write up from the panel on why they drew the line where they did and why they would not recommend funding a project. The Board will then make the final decision on which projects to fund and where the line should be drawn for each lead entity.

The Board needs a list of policy issues that require answers and options. The SRFB will need this by the November/December meeting.

Steve Meyer suggested sending a letter of gratitude to the Technical Panel Members and their bosses for the huge amount of work they have done in this process.

Topic #7: 3rd Round Grants

Jim Fox reviewed the timing of the past two grant cycles and discussed the proposed 2001 grant cycle. Jim has heard back for some of the Lead Entities with a split between option 1 (conducting the 2001 cycle one month later than the Second Round 2000 cycle) and option 2 (conducting the grant cycle three months earlier).

Larry Cassidy asked if staff factored in the federal funding cycle or other funding processes.

Response: Jim had not incorporated other funding processes but could present a third or fourth option if the Board would like. (*No need to present more options.*)

Staff will continue to accept comments from the different groups and ask for public testimony at the November 30 meeting.

Topic #8: WAC Adoption Process

The draft WAC is still in the preproposal stage. This WAC covers public records, office hours and other administrative issues. Stall will come back to the Board at the November meeting with the final draft WAC for Board approval for commencing.

Topic #9: 2001 SRFB Schedule

The 2001 schedule was adopted as presented.

January 25 and 26

March 1 and 2

April 5 and 6

May 23 and 24

June 14 and 15

July 19 and 20 (Tour on July 19 in conjunction with the IAC Board)

September 6 and 7

October 18 & 19

December 6 and 7

Topic #10: Landowner Agreement Policy for No/Low Till Projects

See written information for details.

Topic #11: Partner Agency Reports

Limiting Factors Analysis Update Presentation – Ed Manary, Salmon Recovery Coordinator for the Conservation Commission, presented an update on the status of the Limiting Factors Analysis process. House Bill 2496 directed the Conservation Commission to develop limiting factors analysis in forty-four watersheds. This divides the state into 8 regions and does not include bull trout which are in the 9th region.

About half of the LFA are either completed or will be completed in the next year. Limiting factors reports contain the following sections: WRIA overview; fish presence maps; historical habitat conditions; habitat factors (access, floodplain, stream channel, riparian, water quality, water quantity, estuarine, nearshore, lakes & wetlands, and biological processes); identifies habitats that should be protected; identifies data gaps; and a bibliography.

Limiting Factors are NOT:

A salmon recovery strategy

A complete Habitat Limiting Factors Analysis

A regulatory program

The SRFB discussed how this data is updated. Also discussed how to use this information and other processes this data will feed or will be fed into.

2514 Watershed Planning – the Third Year – Joe Williams, Special Assistant to the Director, Department of Ecology, presented this topic.

Purpose: Develop a thorough and cooperative method of determining the current water resource situation in watersheds.

Ecology does not approve the 2514 plans. The county approves the plan but since Ecology is at the table and has bought into the plan – they are obligated to accept the plan.

Washington is the only state in the nation that is looking at water quantity issues.

Of the 62 WRIAs in Washington, 40 are currently in watershed planning. Seventeen of the 2514 groups also have the same lead entity. None of the 2514 plans are complete, this being only the second year in the three-year process.

Public Comment:

Mike Kaputa, Chelan County, explained the differences and similarities between the 2514 and 2496 processes. Instream flows are a big motivator to get people to participate in watershed planning. Some areas have a problem coordinating the two processes since they have different people at each of the tables but other areas use the same representation for both processes. The Upper Columbia Region is starting to integrate the two processes and is proposing a few assessment projects due to the 2514 process. In some areas there is political pressure to keep the two processes separate. This may cause some overlap of effort and the LEAG has discussed this a couple of times.

Glen Mendell, WDFW, explained that in Walla Walla there are several processes going on at the same time. Several groups are doing their own thing without coordinating with the others.

John Andrews, WDFW Manager, said the 2514 process is beginning to be worked in the Walla Walla area. John doesn't believe that 2496 and 2514 will be duplicative but that they are two separate state processes.

The Chair thanked those making public comment.

There being no further business, the meeting was adjourned at 5:12 p.m.

SRFB APPROVAL:

William Ruckelshaus, Chair

Date

Future Meetings: January 25-26, 2001 – Olympia, 172 NRB
 March 1-2, 2001 – Olympia
 April 5-6, 2001 - Seattle

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